

Susanne Guyer  
Executive Director  
Federal Regulatory Policy Issues

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**NYNEX**

October 6, 1994

**Ex Parte**

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, NW  
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

**RE: CC Docket No. 92-77 Billed Party Preference**

Dear Mr. Caton:

Today, Messrs. A. Rivera, A. Novell, F. Murphy and I, representing NYNEX, met with Mr. M. Nadel of the Policy and Program Planning Division of the Common Carrier Bureau. The purpose of the meeting was to discuss NYNEX's position in the above-captioned proceeding. The NYNEX representatives explained the "dial around" study conducted in New York State that showed that 66% of all operator service type calls from pay phones were "dial around" calls. The NYNEX representatives also discussed the importance of determining an appropriate cost recovery method and including the costs of implementing such a method into the overall cost benefit analysis for Billed Party Preference.

The attached handouts were used during the discussion.

Sincerely,



cc: M. Nadel



NYNEX Recycles

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# DIAL-AROUND STUDY

- CATEGORIZED BY AREA CODE AND INDUSTRY GROUP
- BASED ON RANDOM SAMPLE
- FOR NEW YORK STATE AREA

RESULTS SHOW THAT 66% OF ALL OPERATOR SERVICE TYPE  
CALLS WERE DIAL-AROUNDS

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**ATTACHMENT 1**  
**INDUSTRY COSTS FOR IMPLEMENTATION BPP**  
(\$ in Millions)

	NON - RECURRING COSTS				TOTAL	RECURRING COSTS			TOTAL
	BASE	0557 TO END OFFICE	14 DIGIT SCREENING		NON-RECURRING CHARGES	BASE	PROCESS. OF INTERLATA 0+ CALLS FOR INDEPENDENTS		RECURRING CHARGES
<b>LECS</b>									
NYNEX	120.40			3.80		23.10	Est'd	3.30	
US West	149.90		Est'd	3.80		27.80	Est'd	3.30	
Pacific Tel	144.40		Est'd	3.80		26.10	Est'd	3.30	
SWB	118.90			16.00		15.30	Est'd	3.30	
Ameritech	103.80		Est'd	3.80		35.20	Est'd	3.30	
BellSouth	100.00		Est'd	3.80		29.00		3.30	
Bell Atlantic	135.00			3.80		9.00	Est'd	3.30	
GTE	62.80	97.50		5.10		52.30	Est'd	3.30	
Sprint/United	54.70	217.70	Est'd)			3.50	Est'd		
Cincinnati	9.00		Est'd)	3.00		7.80	Est'd	3.00	
SNET	33.00		Est'd)			12.50	Est'd		
USTA	318.10					10.50			
	1,350.00	315.20		46.90	1,712.10	252.10		29.40	281.50
Adj for Inflation CPI = 3.1, 3.5, 3.6					1,892.70				
<b>OSPs</b>									
All OSPs from FNPRM	120.00								
Initial Equal Access Process	250.00								
	370.00				370.00				
ADJ. for Inflation CPI = 3.1, 3.5, 3.6	409.00				409.00				
<b>INDUSTRY COST</b>					2,301.70				281.50

## BENEFITS

	<u>FNPRM</u>	<u>NYNEX COMMENTS</u>	<u>NYNEX REPLIES</u>
THIRD TIER OSP DIFF.	\$280M	\$142.8M	\$142.8M
COMMISSIONS	<u>\$340M</u>	<u>\$92.6M</u>	<u>\$64.7M</u>
TOTAL	\$620M	\$235.4M	\$207.5M

# **COST RECOVERY FOR BILLED PARTY PREFERENCE**

**BPP COST RECOVERY METHOD MUST BE PART OF THE  
OVERALL ANALYSIS**

**ALTERNATIVES:**

- 1. APPLY TO EUCL AND RECOVER FROM END USERS**
- 2. APPLY VIA CHARGE TO ALL OPERATOR CALLS, INCLUDING  
1-800 CALLS**
- 3. BULK BILL BPP COSTS TO CARRIERS**